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FM AMEMBASSY ASHGABAT

TO RUEHC/SECSTATE WASHDC PRIORITY 3359

INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE

RUCNCIS/CIS COLLECTIVE

RUCNMEM/EU MEMBER STATES COLLECTIVE

RUEHAK/AMEMBASSY ANKARA 5591

RUEHBJ/AMEMBASSY BEIJING 3310

RUEHKO/AMEMBASSY TOKYO 3174

RUEHIT/AMCONSUL ISTANBUL 3834

RHMCSUU/CDR USCENTCOM MACDILL AFB FL

RUCPDOC/DEPT OF COMMERCE WASHDC

RHEBAAA/DEPT OF ENERGY WASHDC

RUEATRS/DEPT OF TREASURY WASHDC

RUEHBS/USEU BRUSSELS

RHEHNSC/NSC WASHDC

RHEFDIA/DIA WASHDC

RUEAIIA/CIA WASHDC

RUEKJCS/Joint STAFF WASHDC

RUEKJCS/SECDEF WASHDC

C O N F I D E N T I A L ASHGABAT 001077

SIPDIS

SCA/CEN; EEB

COMMERCE FOR ELLEN HOUSE

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TAGS: [PGOV](#) [EIND](#) [EINV](#) [ECON](#) [ETRD](#) [TX](#)

SUBJECT: COCA-COLA REPS SEE GROWING OPPORTUNITIES IN
TURKMENISTAN

Classified By: Charge Richard Miles, reasons 1.4 (b) and (d).

¶1. (C) Representatives from Coca-Cola met with Charge on August 26. CEO for Coca-Cola Ichecek (Beverage) in Istanbul and Irish citizen, Michael A. O'Neil, headed a group of businessmen with years of experience in Turkmenistan. O'Neil recounted his time as Coca-Cola head in Russia and Coca-Cola's close cooperation with the U.S. Embassy in Russia, adding that the main purpose of his visit was to build an excellent working relationship with U.S. Embassy Ashgabat.

¶2. (C) O'Neil told the Charge that he is responsible for operations in ten countries: Azerbaijan, Jordan, Iraq, Kazakhstan, Kyrgyzstan, Pakistan, Syria, Tajikistan, Turkmenistan, and Turkey. He explained that Coca-Cola Ichecek is 50 percent owned by the Anadolu Group (Turkey), 20 percent by Coca-Cola Export Corporation (USA), 25 percent publicly traded, and 5 percent owned by Ozgorkey Holding (Turkey). The Coca-Cola reps reported that business in Turkmenistan was going well, and the Turkmenistan plant just received a new Kazakh line of business which would triple the plant's production. At the same time, the Coca-Cola Turkmenistan Plant General Manager, Kadir Uslu, lamented the poor state of Turkmen vocational education, pointing out that highly trained mechanics, electricians, and electrical engineers were scarce in Turkmenistan. The Charge added that finding qualified elevator and air conditioning mechanics to service the many tall, white-marble buildings springing up all over Ashgabat has also been a real challenge.

¶3. (C) Coca-Cola Turkmenistan President, Mehmet Uslu, the brother of the Coca-Cola Turkmenistan General Operations Manager, told Charge that he had lived in Turkmenistan for almost 17 years and even holds a Turkmen passport. He stressed that the Turkmen business climate for foreign companies has improved somewhat since Niyazov died, but the current government is also very unpredictable. To illustrate this unpredictability, Uslu recounted that his home in the Ashgabat neighborhood of Berzengi was to be bulldozed this

week, and the government gave him only a few days notice to move out. Despite government unpredictability, the Coke reps continue to see growing opportunities for Coca-Cola in Turkmenistan. They added that President Berdimuhamedov is a fan of Coca-Cola, drinking it publicly at official occasions, despite the fact that he is a dentist by trade.

¶4. (C) COMMENT. As Coca-Cola representatives described hurdles to doing business with the GOTX, the Charge reminded them that Turkmenistan is an autocratic state, and the proverbial buck does stop with the President. At the same time, the Charge noted that Turkmenistan is adapting slowly but surely to the world around them, and that there are business opportunities for companies with thick skins and a willingness to adapt to unpredictability. Coca-Cola representatives invited Economic Officer to visit the local bottling plant in September and reiterated that Coca-Cola considers U.S. embassies its strongest advocates, especially in unpredictable countries like Turkmenistan. END COMMENT.

MILES